

Fair Political Practices Commission
MEMORANDUM

To: Chairman Schnur, Commissioners Garrett, Hodson, Montgomery and Rotunda

From: Heather Rowan, Commission Counsel
Scott Hallabrin, General Counsel

Subject: Adoption of Amendments to Regulation 18239 – Definition of Lobbyist

Date: January 18, 2011

Proposed Commission Action and Staff Recommendation: Adopt the proposed amendments to Regulation 18239, which adds “placement agents,” as defined in Section 82047.3 effective January 1, 2011, to the definition of “lobbyist” in the Act.

Background: The Act regulates the activities of state lobbyists. (See Sections 86100 through 86300.) The Act defines the term “lobbyist” in Section 82039, and Regulation 18239 details which individuals qualify as lobbyists under Section 82039.

Assembly Bill 1743, passed by the Legislature during the recent legislative session and effective January 1, 2011, amended Section 82039 to add “placement agents” to the Act’s definition of “lobbyist.” Specifically defined in new Section 82047.3, placement agents are essentially individuals who are compensated as intermediaries in connection with the offer or sale of securities, assets, or specified services to a state public retirement system.

Since existing Regulation 18239 defines which individuals are lobbyists for purposes of the Act, staff recommends including placement agents in the regulation so that the regulation provides a complete summary of who will be subject to the Act’s rules regulating lobbyists.

Additional Future Regulations: Assembly Bill 1743 contained several other provisions relating to placement agents and their activities, which may necessitate additional regulations on this subject. Staff will be meeting in the future with representatives of other state agencies that regulate placement agents, the Secretary of State’s Office, and affected parties to further explore these issues. This regulation is, therefore, the first step in providing the public information on applying the newly enacted laws regarding placement agents.